

## Revocation of Prior Notice for Business Tax on Check Cashing and Title Pledge Businesses

### Business tax notice

In May 2000, the Department of Revenue erroneously issued an important notice concerning the subject matter. The notice contained numerous errors and should not be relied upon. The Department of Commerce and Insurance referenced in the notice has nothing to do with the Tennessee business tax levied by Tenn. Code Ann. Section 67-4-701 et seq., and should not be contacted concerning it.

The Department of Revenue hereby revokes and withdraws the notice in question. This withdrawal and revocation is effective on the date and time that the erroneous notice was issued and is superceded by the following:

### ***Application and Payment of Tennessee Business Taxes Check Cashing Businesses – Title Pledge Businesses***

The Tennessee business tax levied on certain businesses, activities or occupations by Tenn. Code Ann. Section 67-4-705 et seq. continues to be collected by and paid to the local government's county and/or city tax collector.

Tenn. Code Ann. Section 67-4-708(3)(C)(x), set forth in pertinent part below, contains a business tax exemption as follows:

“Services furnished by institutions which are engaged in...extending credit or lending money except [Industrial Loan and Thrift Companies]...”

It appears that, a business whose only activity is extending credit or lending money by means of discounting checks cashed or by taking a title pledge as security would fall within the

scope of this exemption and owe no business tax.

### ***Refund Procedure***

Taxpayers who believe they have overpaid their Tennessee business tax may file a claim for refund with the clerk of the city or county to which the tax was paid. If the local government has already paid over to the Department of Revenue its 15% share of business taxes collected, the local government may obtain a credit from the department for the amount so paid if it has been properly refunded to the taxpayer. The local government is barred from making refunds of the business tax unless a refund claim has been filed within one year from the date of payment of the tax.

If the taxpayer has failed to file a refund claim within one year from the date of payment, the Department of Revenue may still refund its 15% state portion of any overpayment if a refund claim, with a letter of explanation, is filed with the department within three years from the end of the calendar year in which the tax was paid.

The Department of Revenue regrets its error in issuing the erroneous May 2000 notice and apologizes for any difficulty or inconvenience that it may have caused.

Have questions or comments? Please let us know. [Contact us.](#)

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